Laura H. Phillips 202-842-8891 laura.phillips@dbr.com

DrinkerBiddle&Reath

Law Offices

1500 K Street N.W. Suite 1100 Washington, DC 20005-1209

202-842-8800 202-842-8465 FAX www.dbr.com

PHILADELPHIA
WASHINGTON
BERWYN
NEW YORK
LOS ANGELES
SAN FRANCISCO

DrinkerBiddle&Shanley LLP
PRINCETON
FLORHAM PARK

December 23, 2003

VIA ELECTRONIC DELIVERY

Marlene Dortch, Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

RE: Written *Ex Parte* Presentation of Nextel Communications, Inc. CC Docket No. 95-116

Dear Ms. Dortch:

Nextel Communications, Inc., ("Nextel"), by its attorney, submits this written *ex parte* in opposition to the "Emergency Joint Petition for Partial Stay and Clarification" filed by the Independent Telephone and Telecommunications Alliance, the National Telecommunications Cooperative Association and the Organization for the Promotion and Advancement of Small Telecommunications Companies (collectively "Petitioners") with the Federal Communications Commission ("Commission") for a stay of the of the Commission's November 10, 2003 *Intermodal Portability Order*, and the wireline-to-wireless local number portability ("LNP") obligation. For the reasons set forth below, the Commission should deny the stay request and re-affirm that *all* incumbent local exchange carriers ("ILECs"), including the 2 percent carriers referenced in the Petition, have an obligation to port telephone numbers to wireless carriers upon request.

I. INTRODUCTION.

Nextel is one of several Commercial Mobile Radio Service ("CMRS") providers that, through subsidiaries, offers a range of valuable digital wireless services in its licensed markets nationwide. Beginning on November 24, 2003, under the terms of the Commission's orders and rules, Nextel and other CMRS carriers were and continue to be required to allow customers to port their numbers out and to accept new customers with numbers to be ported in. This number porting requirement originally was established by

¹ Telephone Number Portability – CTIA Petitions for Declaratory Ruling on Wireline-Wireless Porting Issues, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, CC Docket No. 95-116, FCC 03-284, ¶ 28 (rel. November 10, 2003) ("*Intermodal Porting Order*").

² Emergency Joint Petition for Partial Stay and Clarification, CC Docket No. 95-116 (filed Nov. 21, 2003) ("Petition"). Because the Commission has not yet established a date for public comment, Nextel is using this *ex parte* presentation to provide its opposition to the Petition.

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the Commission in 1996³ and Nextel has been preparing its network, systems and personnel to comply with the Commission's porting rules for the past several years. The notion that Petitioners could somehow be surprised by their intermodal porting responsibilities is simply not credible. And, as a whole, the Petition is nothing more than another attempt by the 2 percent carriers to delay their porting obligations – which they are wholly capable of implementing.

In its *Intermodal Porting Order*, the Commission appropriately and concisely determined that ILECs have a preexisting statutory obligation to port numbers. While the Petitioners may disagree with the Commission's decisions reached in the *Intermodal Porting Order*, *i.e.*, that wireline carriers operating in the 100 largest MSAs must support wireline-to-wireless number porting in accordance with the terms of the order, the Petitioners utterly fail to support their assertion that the Commission acted improperly in reaching its conclusions or that the *Intermodal Porting Order*, will, in fact, be reversed on reconsideration or appeal.

As a legal matter, the Petition fails to satisfy the criteria for a stay.⁵ First and foremost, the Petitioners approach of seeking an industry-wide delay is wholly at odds with established Commission procedure. Indeed, the *Intermodal Porting Order* requires rural ILECs to file *requests for waiver* or extension of the wireline-to-wireless LNP requirement, not stay petitions.⁶ On this basis alone the Petition should be dismissed.

³ Telephone Number Portability, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 8352, ¶ 155 (1996) ("LNP First Report and Order").

⁴ Intermodal Porting Order at ¶ 28.

⁵ The Commission evaluates stay requests under the criteria set forth in Virginia Petroleum Jobbers Association v. Federal Power Commission. Under the Virginia Petroleum Jobbers test, as modified by Washington Metropolitan Area Transit Commission v. Holiday Tours, Inc., a stay is warranted if the movant can demonstrate that: (1) it is likely to prevail on the merits; (2) it will suffer irreparable harm, absent a stay; (3) other interested parties will not be harmed if the stay is granted; and (4) the public interest would favor a grant of the stay. Virginia Petroleum Jobbers Association v. Federal Power Commission, 259 F.2d 921, 925 (D.C. Cir. 1958); Washington Metro Area Transit Commission v. Holiday Tours, Inc., 559 F.2d 841, 843 (D.C. Cir. 1977) ("Holiday Tours").

⁶ Intermodal Porting Order at ¶ 30 ("Carriers inside the 100 largest MSAs (or outside the 100 largest MSAs, after the transition period) may file petitions for waiver of their obligation to port numbers to wireless carriers, if they can provide substantial, credible evidence that there are special circumstances that warrant departure from existing rules.").

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Furthermore, the Petitioners are unlikely to succeed on the merits of their claims, as they rest entirely upon the faulty suggestion that the *Intermodal Porting Order* failed to consider or address the characteristics of the 2 percent carriers as represented by Petitioners. Critically, the order addresses the obligations of all local exchange carriers, requiring those operating in the 100 largest MSAs to support intermodal porting in accordance with the order, and those wireline carriers operating outside the 100 largest MSAs to comply with the order by May 24, 2004. *Moreover, all local exchange carriers, rural or otherwise, have been on notice since 1996 that intermodal number portability was required without qualification.*⁷ Thus, while Petitioners claim that it would have been "irresponsible" for their members to incur significant investments to accommodate intermodal porting prior to Commission clarification of all issues surrounding their porting obligations, the irresponsible behavior appears to be the willful lack of preparation of some ILECs for easily anticipated intermodal porting requests.

II. THE PETITION WILL NOT SUCCEED ON THE MERITS.

The Petitioners claim that they will succeed on the merits because the *Intermodal Porting Order* "does not address and resolve rural porting concerns," and fails to provide the 2 percent carriers with notice of their intermodal porting obligations. Further, the Petitioners claim that "it is technically infeasible for the 2 percent carriers to comply fully with the requirements of the order with respect to routing and rating of calls to ported numbers." Each of these arguments fails for the same basic reasons that similar claims by other ILECs were rejected on the merits by the Commission and why the D.C. Circuit Court of Appeals rejected other ILEC stay requests of the *Intermodal Porting Order*.

Contrary to the Petitioners' claim, the Commission has addressed and resolved all issues pertaining to the rural ILECs. Indeed, the Commission determined that "as of November 24, 2003, LECs must port numbers to wireless carriers where the requesting wireless carrier's 'coverage area' overlaps the geographic location of the rate center in

⁷ The implementation timetable was finalized in July of 2002 when the Commission established that CMRS carriers would offer number portability in the top 100 MSAs by November 24, 2003. *See* Verizon Wireless's Petition for Partial Forbearance from the Commercial Mobile Radio Services Number Portability Obligation And Telephone Number Portability, *Memorandum Opinion and Order*, 17 FCC Rcd 14972 (2002).

⁸ Petition at 9.

⁹ *Id*. at 3.

¹⁰ *Id.* at 12.

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which the customer's wireline number is provisioned, provided that the porting-in carrier maintains the number's original rate center designation following the port "11 For those carriers operating in areas outside of the 100 largest MSAs, the Commission waived, until May 24, 2004, the requirement that these carriers port numbers to wireless carriers that do not have a point of interconnection or numbering resources in the rate center where the customer's wireline number is provisioned. Thus, the Commission resolved the porting obligation of each and every ILEC. Any claims of "ambiguity" with the *Intermodal Porting Order*, or claims of "unanswered questions and concerns" are unwarranted and do not justify any delay of the intermodal porting obligations.

The Petitioners are also wrong when they suggest that the 2 percent carriers have not been required under the Commission's existing rules to deploy number portability. ¹⁵ According to the Petitioners: "A two-week notice is an unquestionably inadequate period within which to deploy wireline-to-wireless number porting capability in switches that have not previously been upgraded to support portability." ¹⁶ This assertion that the 2 percent carriers did not know about their number portability obligations until November 10, 2003, is simply not credible. As stated above, <u>all</u> local exchange carriers have been on notice since 1996 that intermodal number portability was required. ¹⁷ The Petitioners and their member companies have had ample time to upgrade networks to comply with the FCC's rules. *ILECs that cannot timely respond to bona fide requests or that fail to seek waivers should be subject to enforcement action by the Commission*.

Moreover, and contrary to the ILEC claims, the Commission has <u>not</u> required location portability by delineating the scope of the intermodal porting obligation. The Commission already made this plain.¹⁸ According to the Petitioners, the "intermodal

¹¹ Intermodal Porting Order at \P 22.

¹² *Id.* at ¶ 29.

¹³ Petition at 10.

¹⁴ *Id*. at 11.

¹⁵ *Id.* at 6.

¹⁶ *Id*. at 7.

¹⁷ See supra note 7.

¹⁸ Indeed, according to the Commission, "porting from a wireline to a wireless carrier that does not have a point of interconnection or numbering resources in the same rate center as the ported number does not, in and of itself, constitute location portability, because the rating of calls to the

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portability that the wireless carriers seek does not require the customer to utilize the ported number 'at the same location' where the number was previously used prior to porting." This is simply incorrect. Location portability, unlike service provider portability, involves the re-association, or re-rating, of a telephone number from the original rate center to another rate center. As there is no need for any re-association or re-rating of a telephone number that ports – because it remains associated with its original rate center – there is no change in the number's *location*.

The Petitioners' claim that it is technically infeasible to comply fully with their intermodal porting obligations also fails. According to the Petitioners, "[u]nlike the larger carriers, the 2 Percent Carriers have generally not received requests from CLECs for LNP and, consequently, their switches are not technically capable of supporting intermodal portability to customers residing inside or outside of the top 100 MSAs." In particular, the Petitioners suggest that "[i]n the absence of an established interconnection arrangement with a wireless carrier, calls from wireline carriers to the network of the wireless carrier are generally carried by the originating end user's choice of toll carrier or interexchange carrier (IXC)." Thus, "[i]n all likelihood, the customer will either: 1) receive a message that the call cannot be completed as dialed, or 2) the call will be completed as dialed, but will be routed through the originating customer's presubscribed IXC, who will in-turn bill said customer the associated toll charges for transport of the call to the terminating wireless carrier."

In reality, the assertion that consumers will experience incomplete calls or surprise toll charges is a red herring. Under the terms of the *Intermodal Porting Order*, calls from a rural ILEC subscriber to a wireless phone will be rated the same, regardless of whether a wireless carrier has entered into an interconnection agreement with the rural carrier or not and regardless of whether the number is ported to a wireless subscriber, as the Commission has required that the rate center associated with the number not change.

ported number stays the same." *Intermodal Porting Order* at ¶ 28. As the expert agency, the Commission is entitled to *Chevron* deference when determining what constitutes location portability. *Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984).

¹⁹ Petition at 8.

²⁰ *Id.* at 12.

²¹ *Id.* at 14.

²² Id. at 18.

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And, as Sprint recently explained, the only way that calls from rural ILEC customers to wireless ported numbers will drop is if the ILECs fail to follow the necessary standards and FCC rules, *i.e.*, they fail to implement the N-1 protocol, so as to ensure they send calls to the correct terminating carrier.²³ Thus, the calls will drop only if an ILEC permits its customers' calls to drop. Further, while the rural ILECs claim that they must send these calls to an IXC, in reality, they do so for no other reason than to arbitrage intercarrier compensation arrangements on local intra-MTA calls.

In addition, as Sprint correctly noted, the Petitioners are proposing to discriminate against customers with ported numbers (by assessing toll charges on their customers' calls to customers served by other carriers with ported numbers). According to Sprint, "[a]n extensive legal analysis is not needed to demonstrate that this RLEC proposal – to discriminate against customers with ported numbers – would constitute both an unreasonable practice under Section 201(b) and be unreasonably discriminatory under Section 202(a) of the Communications Act." In any case, as stated above, the Commission already has determined in both the wireless-to-wireless context and the wireline-to-wireless context that interconnection agreements are not a prerequisite to fulfilling porting obligations. ²⁵

More importantly, the Commission also has determined that its number portability rules do not hinge on how calls will be rated or routed after a port occurs. According to the Commission:

[P]orting from a wireline to a wireless carrier that does not have a point of interconnection or numbering resources in the same rate center as the ported number does not, in and of itself, constitute location portability, because the rating of calls to the ported number stays the same. . . . [A] wireless carrier porting-in a wireline number is required to maintain the number's original rate center

²³ Sprint Opposition to Rural Carrier Petition to Stay the Wireless Porting Order, CC Docket No. 95-116, at 11 (filed November 12, 2003).

²⁴ *Id*. at 13.

²⁵ Telephone Number Portability – Carrier Request for Clarification of Wireless-Wireless Porting Issues, *Memorandum Opinion and Order*, CC Docket No. 95-116, FCC 03-237, at ¶ 34 (rel. Oct. 7, 2003); *Intermodal Porting Order* at ¶ 2. Moreover, as Sprint recently explained, "RLECs face no 'physical' or 'technical' limitation in routing their customers' local calls to wireless networks 'outside' of the originating exchange." Sprint Opposition to Emergency Joint Petition for Partial Stay, CC Docket No. 95-116, at 14 (filed December 10, 2003) ("Sprint December 10 Opposition").

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designation following the port. As a result, calls to the ported number will continue to be rated in the same fashion as they were prior to the port. As to the routing of calls to ported numbers, it should be no different than if the wireless carrier had assigned the customer a new number rated to that rate center.²⁶

Thus, while the Petitioners may have concerns about how wireless calls are rated and routed, the Commission has squarely determined that these concerns are more properly raised in other pending proceedings. ILECs remain subject to their Section 251(b) obligations to port numbers.

The Petition is devoid of <u>any</u> rational technical infeasibility claims. Although the Petitioners state that the 2 percent carriers "do not have the technical ability to transport a call beyond its network boundary," this claim makes no sense. *Indeed, such an assertion would mean that customers of the 2 percent carriers could never make even a single call to a wireless subscriber, regardless of whether LNP was in place or not. Quite simply, the Petitioners offer nothing more than blanket assertions about the unresolved intermodal porting issues or assertions about their inability to route calls outside of the 2 percent carrier rate centers. This is not adequate justification for delaying the 2 percent carriers' LNP obligation. CMRS carriers, competitive local exchange carriers and other ILECs have had to expend hundreds of millions of dollars to upgrade and prepare their networks for LNP. And, while the Commission's recent clarifications may not please Petitioners, they cannot continually claim confusion or ambiguity or harm in the face of plain rules. Continual claims of confusion or ambiguity in the face of plain rules, are not enough to meet the strict stay requirements, as the D.C. Circuit Court of Appeals recently*

²⁶ Intermodal Porting Order at ¶ 28 (emphasis added).

²⁷ As Sprint recently observed, "[m]ost, if not all RLEC networks are connected today to the LATA tandem switch. Indeed, wireless carriers use this same tandem-to-RLEC trunk group (or facilities) in routing their customers' calls to RLEC customers. In most cases, then, RLECs can route local land-to-mobile calls to wireless customers with ported numbers the same way they route land-to-mobile calls to wireless customers with non-ported numbers. *See* Sprint December 10 Opposition at 14.

²⁸ The Petitioners also claim that "it would have been irresponsible for any LEC to incur significant investments in software upgrades or new switches to accommodate the intermodal portability requests." This statement demonstrates just how unjustified their request for stay is. Indeed, what is plain from this statement is that the 2 percent carriers are not incapable of implementing wireline-to-wireless LNP, *they simply do not want to do it*.

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found in rejecting a stay request of the *Intermodal Porting Order* filed by USTA and CenturyTel.²⁹

III. THE 2 PERCENT CARRIERS WILL NOT SUFFER ANY COGNIZABLE HARM AS A RESULT OF WIRELINE-TO-WIRELESS PORTING.

The Petitioners contend "irreparable harm will result in the absence of the requested Stay." In support of this claim, the Petitioners assert that the 2 percent carriers "will be subjected to technically infeasible compliance deadlines and resulting enforcement actions . . . [and] will also be required to invest limited resources in otherwise unnecessary efforts to comply with technical aspects of the *Order* that disregard the operational realities of the interconnection arrangements that wireless carriers have generally established with the networks of the 2 Percent Carriers." As explained, above, however, the *Intermodal Porting Order* does not fail to account for any rural ILEC implementation difficulties and sets forth straightforward obligations for the 2 percent carriers to follow.

Fundamentally, claims of technical infeasibility are based on basic ILEC unwillingness to upgrade their networks to support an obligations they have known about for years. The Commission has clarified that ILECs operating within the 100 largest MSAs (or outside the 100 largest MSAs, after the transition period) may file petitions for waiver of their obligation to port numbers to wireless carriers if they can provide substantial, credible evidence that there are special circumstances that warrant departure from existing rules.³² And, the Commission has issued a *Further Notice of Proposed Rulemaking* to address specific issues relating to wireless-to-wireline number portability. Both of these mechanisms provide ILECs with a forum to address any further technical issues and negate any possible claim of irreparable harm. On this basis as well the Petitioners' stay request must be denied.

²⁹ United States Telecom Association and CenturyTel, Inc. v. Federal Communications Commission, Order, No. 03-1414 (D.C. Cir. December 4, 2003). See Sprint December 10 Opposition at 15 (noting that the "refusal to comply with current interconnection rules . . . does not constitute injury – and certainly does not constitute irreparable injury – justifying entry of a stay of an order that reaffirms these rules.").

³⁰ Petition at 4.

³¹ *Id.* Claims of unwarranted cost and investment do not make the case for "irreparable harm," especially since rural ILECs can recoup these costs using rate of return regulation.

³² Intermodal Porting Order at ¶ 30.

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The Petitioners also claim that absent a stay of the application of the *Intermodal Porting Order*, the "opportunity contemplated by Congress for the State Commissions to exercise their rights and judgment in determining whether the deployment of number portability is in the public interest in the service areas of the 2 Percent Carriers could be adversely affected." According to the Petitioners, the *Intermodal Porting Order*, "revamps jurisdictional regulation, preempts state regulatory authority, and establishes disparate regulatory treatment on the basis of technology in an anti-competitive and unjustly discriminatory manner." Contrary to their belief, the *Intermodal Porting Order* in no way strips states of any jurisdiction. Indeed, the FCC has asserted jurisdiction over CMRS intermodal number portability issues by citing its authority under Sections 1, 2, 4(i), and 332 of the Communications Act. The FCC did not rely upon Section 251(b) as its source of jurisdiction. The Petitioners squarely raise questions regarding the scope of the 2 percent carriers' intermodal portability obligations with wireless carriers. Such questions implicate bedrock federal intermodal LNP rules and policies. Such questions implicate bedrock federal intermodal LNP rules and policies.

Nor are the 2 percent carriers being treated in a anti-competitive manner. Fundamentally, CMRS carriers have never been on equal footing with <u>any</u> ILECs – they operate in a different manner and under different regulations and CMRS carriers are all accustomed to operating in a fiercely competitive mobile services market. In contrast, ILECs maintain a dominant, near monopolistic stronghold over local markets. Wireless carriers cannot file tariffs, nor generate guaranteed rates of return for their shareholders. And, the Commission properly rejected this "discrimination" argument because there is no way completely to ignore the technical, regulatory and historic differences between the local landline and the wireless industries. Instead, the Commission stated that the "focus of the porting rules is on promoting competition, rather than protecting individual competitors. To the extent that wireline carriers may have fewer opportunities to win

³³ Petition at 4.

³⁴ *Id*. at 19.

³⁵ See LNP First Report and Order, 11 FCC Rcd at ¶ 155.

³⁶ The FCC confirmed that the intermodal porting obligation in general is based on the FCC's authority under Sections 1, 2, 4(i) and 332 of the Act. The specific wireline porting obligation derives from Section 251(b); while the wireless porting obligation derives from Sections 1, 2, 4(i) and 332. *Intermodal Portability Order* at ¶ 8. The Petitioners also make the ridiculous claim that the Commission is in some way directing LECs how they can charge a customer for the provision of telecommunications service. The Commission is doing no such thing. Rather, the *Intermodal Porting Order* merely clarifies that calls to ported numbers will continue to be rated the same as they were rated prior to the port.

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customers through porting, this disparity results from the wireline network architecture and state regulatory requirements, rather than Commission rules."³⁷ The Petitioners ignore the fact that fundamental purpose behind the intermodal porting obligation is to encourage wireless as a competitive alternative to landline local service. Rural ILECs are simply too accustomed to consistently "getting their way," not because of market savvy or technological innovation, but by continued regulatory protection.³⁸

IV. GRANT OF A STAY WILL HARM BOTH CMRS CARRIERS AND THE PUBLIC INTEREST.

According to the Petitioners, the intermodal porting obligation will "inevitably lead to general customer confusion and dissatisfaction . . . [and] consumers will be subjected to undue burdens while they struggle with the consequences of the implementation of the Order in the absence of the requested Stay." Quite the opposite is true. Any stay of the intermodal porting obligations will not only harm CMRS carriers, it will also harm consumers.

Furthermore, a grant of the stay request would cause CMRS carriers and telecommunications users substantial harm because it would reverse the investment this Commission and wireless carriers collectively have made in making number portability a reality. Alternatively, the 2 percent carriers will not be harmed by their porting obligations because any calls that are ported to a CMRS carrier operating outside of the a 2 percent carrier's calling area will be rated the same. Assertions about dropped or interrupted calls are nothing more than threats the Commission should ignore.

³⁷ Intermodal Porting Order at ¶ 27. Importantly, the Commission also recognized that the "fact that there may be technical obstacles that could prevent some other types of porting does not justify denying wireline consumers the benefit of being able to port their wireline numbers to wireless carriers. Each type of service offers its own advantages and disadvantages (e.g., wireless service offers mobility and larger calling areas, but also the potential for dropped calls) and wireline customers will consider these attributes in determining whether or not to port their number." Id.

³⁸ The fear of losing customers and the fear of competition from parties accustomed to being sheltered by regulatory protections is simply insufficient to demonstrate irreparable harm under the Commission's stay criteria. As the courts have concluded, a claim of competitive harm is merely a type of economic loss, and thus "revenues and customers lost to competition which can be regained through competition are not irreparable." Thus, the "mere existence of competition is not irreparable harm." *Holiday Tours*, 559 F.2d at 843 n.3.

³⁹ Petition at 18-19.

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V. CONCLUSION

The Petition is nothing more than an attempt by the 2 percent carriers to force an unwarranted narrowing or reinterpretation of their intermodal porting obligations. If they cannot avoid the full scope of their obligations, then they seek to make it more unpredictable, difficult and far more expensive for wireless carriers to engage in wireline-to-wireless porting. This Petition is fundamentally at odds with federal law, Commission policy and the interests of wireline customers who have the legal right under the Communications Act to port their numbers to wireless carriers should they so desire. As such, the Commission should deny the Petition for Stay.

In accordance with the Commission's rules, one copy of this letter is being filed electronically in the above-captioned docket. Copies of this letter are also being provided to the Commission staff listed below. Please contact the undersigned if any questions arise in connection with this filing.

Respectfully submitted,

/s/Laura H. Phillips

Counsel for Nextel Communications, Inc.

LHP:css

cc: Chairman Michael Powell

Commissioner Kathleen Q. Abernathy

Commissioner Kevin J. Martin

Commissioner Michael J. Copps

Commissioner Jonathan Adelstein

William Maher

David W. Zesiger (ITTA)

L. Marie Guillory (NTCA)

Jill Canfield (NTCA)

John N. Rose (OPASTCO)

Stuart Polikoff (OPASTCO)

Charles W. McKee (Counsel for Sprint Corporation)

Luisa L. Lancetti (Counsel for Sprint Corporation)